

Message Text

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ACTION EB-11

INFO OCT-01 EUR-25 IO-14 ISO-00 CAB-09 CIAE-00 COME-00

DODE-00 DOTE-00 INR-10 NSAE-00 RSC-01 FAA-00 L-03

SS-20 NSC-07 INSE-00 A-01 PER-05 SCA-01 CPR-02 DRC-01

/111 W

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P R 051623Z JUN 74

FM AMEMBASSY MOSCOW

TO SECSTATE WASHDC PRIORITY 9498

INFO AMEMBASSY ROME

USMISSION GENEVA

C O N F I D E N T I A L MOSCOW 8530

ROME FOR INS

E.O. 11652: GDS

TAGS: ETRN US UR

SUBJ: CIVAIR: CONTINUING TICKETING PROBLEMS WITH AEROFLOT

REF: A) MOSCOW 4028; B) STATE 053229; C) STATE 070497;

D) STATE 117452

1. SUMMARY: MOSCOW PAN AM REPRESENTATIVE RELATED TO
EMBOFFS JUNE 4 TALE OF CONTINUING PAN AM TICKETING PROBLEMS
WITH AEROFLOT, INVOLVING IN PARTICULAR TCP IMMIGRANTS, AS
WELL AS EMBASSY AND USG TDY PERSONNEL. IN LATTER CATEGORIES
AEROFLOT OBSTRUCTIONISM IS RESULTING IN HIGHER COSTS TO USG
FOR TRAVEL FROM MOSCOW TO US VIA EUROPEAN STOPOVERS. IN
RELATED DEVELOPMENT EMBASSY HAS RECEIVED CIRCULAR NOTE FROM
UPDK (AGENCY FOR SERVICE TO THE DIPLOMATIC CORPS) SPELLING
OUT NEW AEROFLOT TICKETING PROCEDURES, BEGINNING JUNE 1,
AFFECTING PERSONNEL OF ALL EMBASSIES AND FOREIGN BUSINESSES
IN MOSCOW. TO DATE MFA HAS NOT RESPONDED TO EMBASSY NOTE
MADE ON BASIS EARLIER PAN AM COMPLAINTS AND REFTELS B AND
C. END SUMMARY

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2. IN CONVERSATION WITH EMBOFFS JUNE 4, PAN AM REP JOHN VASESSEN STATED THAT AEROFLOT CONTINUES ITS REFUSAL TO TICKET ANY PASSENGERS ON OTHER THAN DIRECT MOSCOW-NEW YORK ROUTE. THIS PRACTICE AFFECTS VARIOUS GROUPS OF TRAVELLERS IN WHICH USG HAS INTEREST, AS FOLLOWS:

A) SOVIET EMIGRANTS PROCEEDING TO US UNDER THIRD COUNTRY PROCESSING (TCP) IN ITALY. AT PRESENT AEROFLOT WILL TICKET THESE TRAVELLERS -- WITH PAYMENT IN RUBLES -- ONLY AS FAR AS ROME, FORCING THEM TO MAKE ONWARD TRAVEL ARRANGEMENTS IN ROME AND THUS INCURRING ONEROUS HARD CURRENCY EXPENDITURE (EMIGRANTS ARE ALLOWED TO TAKE ONLY 90 RUBLES IN HARD CURRENCY OUT OF USSR). PAN AM HAS EVADED AEROFLOT ROADBLOCK BY ISSUING ITS OWN TICKETS FOR ROME-NEW YORK TRAVEL, FOR WHICH EMIGRANTS PAY IN RUBLES TO PAN AM. UNFORTUNATELY, PAN AM NOW GLUTTED WITH RUBLES AND UNABLE TO ABSORB MORE, THUS FORCING FOR PRESENT CURTAILMENT OF ITS ASSISTANCE PROGRAM TO EMIGRANTS TO US. ROME-US TICKETING BURDEN WILL THEREFORE FALL UPON VOLAGS (FUNDED ULTIMATELY BY USG).

B) EMBASSY PERSONNEL. EMBASSY STAFF MEMBERS WISHING TO TRAVEL TO US BY OTHER THAN DIRECT MOSCOW-NEW YORK ROUTE ALSO FACE OBSTACLES PRESENTED BY AEROFLOT. IN THESE CASES, AEROFLOT WILL WRITE TICKETS ONLY FROM MOSCOW TO EUROPEAN STOPEOVER POINT, WITH PAN AM ISSUING ITS OWN TICKETS FOR TRAVEL FROM THAT CITY TO US. PAN AM ACCEPTS GTR FOR TOTAL TRAVEL COST AND THEN REIMBURSES AEROFLOT IN RUBLES FOR PORTION OF TRAVEL TICKETED BY AEROFLOT. VAESSEN STRESSED THAT THIS PROCEDURE RESULTS IN GREATER REPEAT GREATER COST TO USG SINCE INDIVIDUAL FARES FROM MOSCOW TO EUROPEAN STOPOVER POINT (AEROFLOT TICKET) AND FROM EUROPEAN STOPOVER TO US (PAN AM TICKET) ALTOGETHER RESULT IN TOTAL FARE HIGHER THAN THAT ON DIRECT MOSCOW-US ROUTE.

C) TDY PERSONNEL TO EMBASSY NOT HAVING RETURN TICKETS PURCHASED IN US. IN CASE OF OFFICIAL DELEGATION DESIRING TO LEAVE MOSCOW FOR US JUNE 1, AEROFLOT REFUSED TO ACCEPT RUBLES IN PAYMENT FOR TICKETS (OFFERED BY PAN AM ON BASIS OF TRAVELLERS' GTRS), CLAIMING THAT THEY COULD NOT HAVE HAD SOURCE OF RUBLES SINCE NOT STATIONED IN MOSCOW. INSTEAD, AEROFLOT REQUIRED LETTER FROM EMBASSY STATING THAT EMBASSY WAS ASSUMING RESPONSIBILITY FOR PAYMENT OF AIR TICKETS

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FOR MEMBERS OF DELEGATION. FOUR MEMBERS OF GROUP ACTUALLY TRAVELLED TO US VIA WESTERN EUROPE, SO THAT "TWO-FARE" CONCEPT DESCRIBED IN B) ABOVE APPLIED AND RESULTED IN HIGHER COST TO USG OF APPROXIMATELY \$50 PER TRAVELLER.

3. WITHIN LAST FEW DAYS EMBASSY HAS RECEIVED CIRCULAR UPDK NOTE, DATED MAY 20, INFORMING EMBASSIES AND FOREIGN BUSINESS ESTABLISHMENTS THAT AS OF JUNE 1 UPDK WILL NO LONGER ASSIST

IN RESERVING AND SELLING AIR TICKETS, THESE FUNCTIONS
REVERTING SOLELY TO AEROFLOT. NOTE MAKES FOLLOWING POINTS:

A) AEROFLOT WILL MAKE RESERVATIONS FOR FOREIGN CITIZENS
ACCREDITED IN MOSCOW ONLY UPON SUBMISSION OF "OFFICIAL
APPLICATION" INDICATING NAME AND POSITION OF TRAVELLER,
HIS DATE OF DEPARTURE, AND ROUTING. IN ABSENCE OF WRITTEN
APPLICATION TRAVELLERS ARE REQUIRED TO PRESENT DIPLOMATIC
CARDS OR OTHER IDENTIFICATION INDICATING PLACE OF WORK.

B) PAYMENT OF TICKETS MAY BE EFFECTED IN CASH OR BY BANK
TRANSFER. HOWEVER, RUBLES WILL BE ACCEPTED IN PAYMENT ONLY FOR
TICKETS ON "AGREED ROUTES" WHICH ARE DEFINED IN BILATERAL
AGREEMENTS BETWEEN USSR AND OTHER STATES. FOR "NON-AGREED
ROUTES" AEROFLOT WILL WRITE TICKETS ONLY IF PAYMENT IS MADE
IN HARD CURRENCY OR WITH "EXCHANGE ORDERS."

C) RETURN TICKETS WILL BE SOLD TO FOREIGN CITIZENS ONLY
UPON PRESENTATION BY THEM OF A VALID RE-ENTRY VISA.

D) FOREIGN CITIZENS NOT HAVING FIXED SOURCES OF RUBLE
INCOME MUST PRESENT CURRENCY EXCHANGE RECEIPTS WHEN APPLYING
TO PURCHASE AIR TICKETS WITH RUBLES.

4. COMMENT: UPDK NOTE WOULD APPEAR TO REPRESENT SLIGHT
BACKING AWAY BY AEROFLOT FROM EARLIER POSITION (SEE REFTTEL
A) OF TOTAL REFUSAL TO TICKET TRAVEL BY OTHER THAN DIRECT
ROUTES (E.G., MOSCOW-NEW YORK). REQUIREMENT REMAINS, HOW-
EVER, THAT PAYMENT FOR SUCH TRAVEL BE MADE IN HARD CURRENCY.
IN CASE OF USG PERSONNEL, AEROFLOT WILL NOT ACCEPT GTRS.
THUS, ON INDIRECT TRAVEL VIA EUROPEAN STOPOVERS TICKETS FOR
EMBASSY AND OFFICIAL TDY TRAVELLERS ARE COSTING MORE BECAUSE
OF "TWO-FARE" SITUATION.

5. ON BASIS OF REFTTELS B AND C, PLUS EARLIER PAN AM
COMPLAINTS, EMBASSY SENT NOTE TO MFA ON APRIL 18 POINTING
OUT VIOLATIONS OF US-USSR AIR TRANSPORT BILATERAL AND
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AEROFLOT-PAN AMERICAN AGREEMENT INHERENT IN PRESENT AEROFLOT
STANCE, REQUESTING THAT SUCH PRACTICES CEASE PROMPTLY.
INSTEAD, AEROFLOT NOW APPEARS TO HAVE FORMALIZED EXISTING
SITUATION. TO DATE NO RESPONSE TO EMBASSY NOTE HAS BEEN
FORTHCOMING FROM MFA. EMBASSY THEREFORE PLANS TO ESCALATE
PROTEST WITH DEMARCHE OF MFA AT CONSOLE LEVEL, FOLLOWED
UP BY MEETING AT MINISTRY OF CIVIL AVIATION TO REGISTER
OFFICIAL DISSATISFACTION WITH SITUATION. IT WOULD APPEAR
DIFFICULT TO APPLY RECIPROCITY PRINCIPLE IN THIS CASE,
SHORT OF PAN AM THREAT -- AS GENERAL AGENT FOR AEROFLOT
IN US -- TO CEASE ALL TICKETING FOR AEROFLOT THERE. WOULD
APPRECIATE DEPARTMENT'S VIEWS ASAP.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CIVIL AVIATION, REFUGEE RESETTLEMENT, AIR FARES, PASSENGER TRANSPORTATION
Control Number: n/a
Copy: SINGLE
Draft Date: 05 JUN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: cunninfx
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974MOSCOW08530
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740143-0455
From: MOSCOW
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740673/aaaackzy.tel
Line Count: 167
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: A) MOSCOW 4028; B) STATE 053229; C), STATE 070497;
Review Action: RELEASED, APPROVED
Review Authority: cunninfx
Review Comment: n/a
Review Content Flags:
Review Date: 23 MAY 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <23 MAY 2002 by shawdg>; APPROVED <20 FEB 2003 by cunninfx>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CIVAIR: CONTINUING TICKETING PROBLEMS WITH AEROFLOT
TAGS: ETRN, US, UR, PANAM
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005